

MEETING #14 – March 29

At a Public Hearing of the Madison County Board of Supervisors on
March 29, 2010 at 7:30 p.m. in the Madison County Administrative Center Auditorium:

PRESENT: **Eddie Dean, Chairman**
James L. Arrington, Vice-Chairman
J. Dave Allen, Member
Jerry J. Butler, Member
Pete J. Elliott, Member
V. R. Shackelford, III, County Attorney
Lisa Robertson, County Administrator
Teresa Miller, Finance Director

Chairman, Eddie Dean called the meeting to order and stated that a quorum was present.

Chairman, Eddie Dean asked Lisa Robertson, County Administrator, to provide a brief overview of the proposed FY2011 Budget.

Chairman, Eddie Dean asked those desiring to speak during the Public Comment to hold their statements to a limit of three (3) minutes.

Chairman, Eddie Dean advised the Board will not be adopting or establishing a tax rate tonight, nor will tonight be the forum in which the FY2011 Budget will be adopted – tonight's session is being held in order for the Board to receive input.

In closing, Chairman, Eddie Dean stated the Board will adopt the FY2011 Budget on Tuesday, April 13, 2010 at 7:30 p.m.

Lisa Robertson, County Administrator, provided an overview of the proposed FY2011 Budget for Madison County, to include information the following:

- a) Capital Improvement Plan
- b) Courthouse Project
- c) County Expenditures
- d) Education
- e) Public Safety
- f) Human Services
- g) Short-term Debt Service (i.e. Courthouse Project and the purchase of law enforcement vehicles for the Sheriff's Department)

- h) Long-term Debt Service found in the portion of the County budget that pertains to the Madison County School System long-term financing of projects completed in the 1990's and funding is transferred to the School's budget annually
- i) Transfer Station Operational costs

Lisa Robertson, County Administrator, also provided information on revenue projections in documents presented by the Madison County School System in February 2010 which denotes an overall anticipated decrease in state funding; it appears that although federal stimulus funds were available for FY2010, some of these funds are still available for FY2011, but much less than previously noted, and also advised that an update on funding (for the Madison County School System) has not been made available, as the County is waiting to see what figures will come forth from the State's budget when it is finalized. Information was also provided regarding the advertised budget with regard to a possible increase in revenue as the result of a potential real estate tax increase – it was also noted that during a prior Budget Workshop Session, a determination was made to project some increase in funding that will be needed for the Madison County School System (i.e. anticipated by severe reductions in State funding); however, it is unknown at the present time what exactly will be necessary. Additionally, she stated that real estate taxes generated about \$196,000.00 during FY2010 and a proposed three cents tax increase will generate about \$588,855.00 which will result in just slightly above the amount the Madison County School System is projecting in revenue shortfalls.

Lisa Robertson, County Administrator, also stated the advertised FY2011 Budget shows revenues from the possible collection of a vehicle license fee which will generate about \$400,000.00, which will also be one of the advertised matters the Board will discuss on Tuesday, April 13, 2010 at 7:30 p.m. – at the present time and will consist of the following fee proposal:

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| (a) | Licensed Motor Vehicle | \$30.00 |
| (b) | Motorcycle and Motor scooter | \$15.00 |
| (c) | Licensed Trailer or Semi-Trailer | \$10.00 |

Additionally, the FY2011 Budget was advertised showing an increase of \$500,000.00 in the Accumulated Fund Balance; there was about \$2,900,000.00 designated in the

Accumulated Fund Balance to cover expenditures and to balance the existing Budget.

In closing, Lisa Robertson, County Administrator, stated tonight's information is the basic contents of the proposed FY2011 Budget – all information provided tonight can also be viewed on the County's website, as well as by hard copy at the Madison County Board of Supervisors' Office.

Chairman, Eddie Dean asked if there were any questions regarding the aforementioned overview, and there were none verbalized.

Chairman, Eddie Dean then opened the floor for Public Comments.

James Lillard was present and stated he hoped when final funding comes into play, that everything will work out; he also commented on the prior economy having very prosperous; however, things have changed and he feels there is a way to make things work in Madison County without a tax increase.

Debra Reid of Rappahannock Legal Services was present and thanked the Board for their continued support and stated the agency depends on the support of the localities they serve; she also stated their caseload has doubled (in some localities) during the past year.

Jerry J. Butler asked about the caseload for Madison County, to which Ms. Reid has doubled during the past year, the average caseload for Madison County was about twelve (12), which has doubled and is now twenty-four (24).

Larry Patterson was present and stated all are feeling the impact of today's economy and the Board is in a difficult position in trying to do the impossible, which is what is "trying to what is right for everyone" – however, he asked the Board to 'please

don't err on the side of public education and the children of Madison County; larger class sizes, reduction in spending on textbooks, elimination of teachers assistants and cutting back in the are of technology are just a few of the things being effected by today's economy, and it will 'come back to haunt us' in the future when these kids get older and enter the workforce; he also stated what most kids miss out on in their current classes will not be made up tomorrow, next week or in next year's classes and these children will steadily fall behind as teachers will be unable to devote adequate time to those individuals who are struggling; additionally, we have a Governor who 'preaches higher education' without any regard for public education – without public education, higher education will be out of reach for too many of our kids. In closing, he asked the Board to please help fill in the funding gaps that exist as best possible.

Brian Duncan of the Rappahannock-Rapidan Community Services Board was present and thanked the Board for their continued support; also present were three appointees to the RRCSB that represent the citizens of Madison County, Virginia.

Chris Miller of the Area Agency on Aging was present and thanked the Madison County Board of Supervisors for allowing the Agency time during the past week to provide input on the strategic plan; she also stated the Agency has been afforded the opportunity to bring more than \$1,500,000.00 in new services into the region that is currently served; she thanked the Madison County Board of Supervisors for their continued support and also commended Madison County for the commitment on the part of the entire community and local government for being aware and sensitive to the needs of the older adults that reside within the community. In closing, she stated the Agency understands these difficult times and stressed the Area Agency on Aging is a 'partnership'

that wants to express in return for support, the Agency is happy to offer services to the citizens of Madison County in any way possible.

Kathy Clements of the Hospice of the Rapidan was present and thanked the Madison County Board of Supervisors for their continue support; she also advised the Hospice of the Rapidan receives reimbursements annually from Medicaid and Medicare for the services they provide, although there has been a gap noted in the recent years; therefore, support from localities is sincerely appreciated in that it fills the shortfalls so patients and their families can continue to receive the care they need.

Jerry J. Butler asked how many citizens are currently served in Madison County, to which Ms. Clements advised as currently being about twenty (20) patients during the past year.

Claudio Vito of the Rappahannock-Rapidan Medical Reserve Corp was present and thanked the Madison County Board of Supervisors for their continued support; she also provided a handout of information that pertained to the H1N1 public health emergency and advised the shots were given within the Madison County School System, and there were fifty-two (52) volunteers who assisted and provided 62.5 hours of time which totaled \$1,235.99; also stated the total cost of donated hours for the five-County area totaled \$21,751.88 (997 hours donated), and stated the volunteers are greatly appreciated for their time and effort.

Nan Coppedge, Director of Social Services, was present and stated the budget request for her Department does reflect a slight increase due to an increase in program expenses (i.e. food stamps, TANF, Medicaid) and costs associated with foster

care and some administrative costs; she stated her Department tries to keep their budget as low as possible.

Pete J. Elliott asked how much of an increase (for services) from this time last year until now, to which Nan Coppedge advised the following:

- 1) Food Stamp Program: In February 2009, there were (438) cases that served 1, 049 people – in February 2010, there were (580) cases to serve 1,405 people.
- 2) The Medicaid Program: In February 2009, there were 956 cases that served 1,182 people – in February 2010; there were 1,159 cases to serve 1,410 people.

Ralph D. Nicholson was present and stated the economy has fluctuated for many years, but the current conditions have put many people out of work and real estate has dropped significantly; he feels the Board has done much work on the proposed Budget for FY2011 but asked that cuts be made in whatever areas that are necessary in order to make things work for Madison County without imposing any tax increases – the County has several senior citizens that cannot afford any additional taxes, and he feels the worst hasn't come just yet, in his opinion; he also believes that every child deserves a good education but real estate taxes are the only thing that supports the school system at the present time; he feels a school system with a budget close to \$18,000,000.00 for a population of an estimated 2,000 students can be made to work better – he also feels that all unnecessary programs need to be cut in order to benefit those who are less fortunate within Madison County. In closing, he stated that Madison County used to have the lowest

per median family income than all the surrounding Counties in PD-9 and wonders if this is still true.

George Bekker was present and verbalized concerns regarding the uncertainty of the proposed tax rate increase and whether the County is assessing this based on the surrounding localities; he also asked about the Contingency Fund.

Chairman, Eddie Dean explained all with regard to the Contingency Fund, all monies generated from a proposed tax increase will be put into this fund, as the County does not know whether there will be a tax rate of .44 cents, .45 cents, .46 cents or .47 cents; therefore, funds are put into this category only rather than being placed into other specific funding areas so if these funds are needed, the Board can remove the funds from only one category rather than several categories.

Chairman, Eddie Dean also stated this is the same category that funding from the proposed license tax fee will be held (about \$400,000.00); funding that is placed into the Contingency Fund is set aside as a 'reserve' in case the County budget needs to be balanced in light of a 'worse case scenario.'

Chairman, Eddie Dean also advised it is the intention of the Madison County Board of Supervisors to keep the Contingency Fund as small as possible, however, because of the requirements on advertising, etc.; therefore, the County had to have some flexibility in order to have all requirements in order prior to the adoption of the State's budget. Additionally, if the "emergency money" (within the Contingency Fund) isn't needed, the funds will be pulled and perhaps a tax decrease can be implemented.

Chairman, Eddie Dean stated that to the best of his knowledge, the surrounding localities are not at the point in the budgetary process where they are discussing any changes in their tax rate.

Lisa Robertson, County Administrator, stated she believed most of the surrounding localities are close behind Madison County, and appear to be in the process of making advertisement of their proposed FY2011 Budget.

Chairman, Eddie Dean also reiterated the Board is mainly concerned about Madison County and not the surrounding localities; he also advised the amount of educational funding varies between the localities and there was a proposed increase in the composite index for Madison County that caused significant changes in the funding allocations.

In closing, Chairman, Eddie Dean stated it is felt the County will be working with a more concrete set of numbers within the coming weeks prior to the meeting scheduled for April 13, 2010.

Charlotte Scott was present and advised that she has ‘never run a County before, but has run a business’; she feels that some of the principles that apply to running a business also apply to running the County; in this economy, she believes that everyone has had to look hard at their personal finances – she also wrote a letter to the Board with the following highlights:

- 1) Review all positions in each County Department and cut any unnecessary positions;
- 2) Eliminate the creating of positions and the employment of relatives/friends at tax payers’ expense, which has gone on far too long in the County;
- 3) Trim the ‘dead wood’ and increase the work load on each employee who is fortunate enough to remain employed by the County;
- 4) Cut the elevated salaries by ten percent (10%) or more - if someone quits, fill only the essential positions with individuals from the ever growing

- unemployed population (feels this will bring better qualified employees who will work harder because they appreciate being employed again);
- 5) Cut all overtime in every County Department and consider a reduction of each employees' work hours (as many business have been forced to do);
 - 6) Hire no new employees (except to fill positions vacated by those who do not wish to work for decreased pay);
 - 7) All new employees will work at a lesser salary rate than what is currently being paid;
 - 8) Cut holiday pay and holiday hours (only one paid day for a holiday and no more 2-3 paid holidays) [those who do not work do not get paid];
 - 9) Lower the elevated property assessments on the current market value as dictated by today's real estate market (this has been accomplished by Suffolk and Albemarle [Virginia] and procedures are still in operations and both areas are larger than Madison County with larger needs);
 - 10) No tax rate increase as real estate taxes cannot continue to support a small rural County with a budget that is so inflated.

Bob Kane of Brightwood, Virginia was present and stated he has lived in Madison County for the past twenty (20) years on a fixed income (retired) and stated the following:

- 1) Doesn't understand how the Board came up with tonight's proposed FY2011 Budget and it doesn't look like there was much effort put into the document;
- 2) There are no significant cuts denoted;
- 3) County employees didn't come forth to show appreciation of what they are given or to answer any questions from the citizens;
- 4) The Board doesn't control the school's budget but does control the balance;
- 5) Culpeper County is advertising no tax increases but have imposed heavy cuts to stay within their funding limits;
- 6) Madison County has lost \$390,000.00 in funding (compared to Culpeper);
- 7) Reassessment in 2004 was done too early and at the height of the real estate market;
- 8) Feels the County's website makes it impossible to follow the FY2011 Budget process;
- 9) Feels there is a motive involved (by the County) to purposely provide less information about why things are done in a certain manner.

In closing, he urged the three (3) new members to be more transparent in what they do.

With regard to concerns verbalized about the prior reassessment, Chairman, Eddie Dean stated the Virginia Code indicates that if the assessed value versus the market values becomes less than eighty percent (80%), the State will adjust the funding for the

locality – at the time of the prior reassessment, Madison County was at sixty percent (60%).

Bob Kane asked if there was a letter available to document this information, as he checked the legislation and feels the code wasn't accurately interpreted.

M. W. Norfolk of Rochelle was present and thanked the members of the Madison County Board of Supervisors for the job they have done; he also suggested the Board face the fact that Lisa Robertson, County Administrator, has done the very best she could in composing the FY2011 Budget with the tools that were made available to her; however, he suggested the document be re-evaluated line-by-line.

James Hale was present and stated he has lived in Madison County for eighty-one (81) years; he feels now is the time for the Board to 'level the playing field' and also commented that the FY2011 Budget 'is a mess' and he cannot understand the document as the numbers don't match; he also commented on the following:

- 1) Property appraisals and discrepancies that were made;
- 2) The nation is in a recession and Madison County has an unemployment rate of seven percent (7%);
- 3) Foreclosures are seen in the local newspaper on a weekly basis (at least one to two homes);
- 4) Suggested the Board decrease salaries for County employees as follows:

a) \$20,000.000 to \$30,000.00	5% decrease
b) Above \$30,000.00 to \$40,000.00	10% decrease
c) Above \$40,000.00 and over	15% decrease

(As this will place salaries in line with the income individuals receive who are on a fixed income.)

- 5) Reduce staff positions; where there are three (3) employees, reduce to two staff members; where there are four (4), reduce to three (3);
- 6) Let employees know that everyone else is suffering and they are being paid on the backs of the Madison County taxpayers;
- 7) In 1996, the population in Madison County was 12,276 and there were nineteen (19) Employees for Madison County (full and part-time) with an annual Payroll of \$360,000.00 – he is unable to find figures as to what payroll is today but

feels there are probably about fifty (50) to seventy-five (75) County employees with a payroll of about \$3,000,000.00 or so;

- 8) He is very much against any proposed tax increase and feels the citizens cannot withstand a tax increase;
- 9) He served on the Madison County Board of Supervisors for many years and although he does support the school system, he feels that doing away with computers will save money feels that doing away with computers will save money.
- 10) The current population shows an increase of 1,074 people in the County since 1996 and he wondered if this increase in the population justifies the increase in the number of County employees.

In closing, he stated he had a lot of confidence in the existing Madison County Board of Supervisors until he read the local newspaper that reported a request of \$250,000.00 to furnish the remodeled Courthouse.

Brenda Nichol-Aylor was present and stated she lives on a farm and doesn't want to see her real estate taxes increase; she also stated she is here to support the Board's efforts to try to fund the school budget; she has two (2) children that have attended the Madison County School System and she has been a very active volunteer member in the school system; she stated she feels there has been some cost-cutting in the school system over the last several years and Dr. Brenda Tanner has done an exceptional job of eliminating a lot of the prior waste that had taken place in the past; she also feels there are still many things within the school system that need to be done better, and also advised that Dr. Brenda Tanner has always been very receptive to parent comments on ways to make the school system better without spending a lot of funds and she would like to see all the children of Madison County receive the type of education that will enable them have the competitive edge to be accepted into some of the best colleges available; in turn, she hopes these students will return to Madison County and become productive in leading Madison County in the future. In closing, she asked the Board to take a serious look at the school budget that Dr. Brenda Tanner will propose for the school system, and as a parent and taxpayer, she hopes the Board will consider the request for additional funding that will be needed in order to help the children of Madison County become successful by attending the Madison County School System for many years to come.

Jim Nelson, Vice-Chairman of the Madison County School Board, was present and advised that Jeff Early, Chairman, was unable to attend this evening.

Mr. Nelson commented on the school budget and indicated the document is put together annually and the Madison County School Board does the best job possible for the children of Madison County; he also stated this has been a very difficult year for the economy and added the following about the School's Budget:

- 1) There are no pay raises in the FY2011 school budget;
- 2) There are few teaching positions in the FY2011 school budget;
- 3) There are few Instructional Assistant positions in the FY2011 school budget

*These inclusions were not omitted due to them being unimportant as they are all important; however, the State made significant cuts and the above items were the only alternative available for the Madison County School System to meet the magnitude of the cuts that were imposed. Additionally, he stated there were cuts in the area of extra-curricular activities (i.e. equipment/supplies) and the Madison County School Board is also looking at the possibility of next year being even worse than the present and there will probably be a fifty percent (50%) composite index coming forward, as well as an increase in the VRS (Virginia Retirement System); therefore, the proposed FY2011 School Budget does reflect severe cutbacks and although is not something the Madison County School Board wanted to do, as this will mean larger classroom sizes, increased workload, and ultimately, the students will get fewer services and less attention, however, the staff of the Madison County School System are committed to doing the absolute best job possible for the children of Madison County, and this will continue, despite fewer resources.

Dr. Brenda Tanner, School Superintendent, was present and thanked the Madison County Board of Supervisors for their ongoing support during this very difficult time; she stated things are a significant challenge because the information continues to change; she stated the budget proposed by former Governor Tim Kaine showed a loss of stimulus funding that was used to balance the current year's budget and the school division was taking a reduction of \$1,050,000.00 in state funding and as this information was passed along, the Madison County School Board reduced the following:

- 1) Twelve (12) staff positions;

- 2) Reduced equipment/supplies;
- 3) Delay in the bus replacement cycle;
- 4) Reduction in bus routes;
- 5) Eliminating travel for some of the extra-curricular teams and general travel (across the board).
- 6) All funding was eliminated for technology (as denoted in Governor Kaine's Budget); however, the General Assembly budget has restored this funding with the exception of about \$100,000.00 that was previously utilized to support smaller classroom sizes in grades K through 3 (i.e. utilized as an incentive to help school divisions keep class sizes lower) and these funds have been lost as per the basis of only being eligible when there are thirty percent (30%) of students receiving free lunch, but not free/reduced lunch).

Dr. Brenda Tanner stated the latest budget figures indicate the school system will have a \$1,500,000.00(+) reduction in state funding as previously compared to \$1,050,000.00. Nevertheless, the Madison County School System has been working through budget planning sessions during the past week, as the General Assembly budget does show there will be changed made to the employee contribution(s) to the VRS (Virginia Retirement System) rate which might help lower expenses and in turn, offset additional cuts. In closing, she stated the Madison County School System is hoping not to have to eliminate any additional positions after already having cut twelve (12); also, the bus replacement cycle will need to be analyzed and the proposed composite index will impose an additional reduction of about \$400,000.00 during next year.

Chairman, Eddie Dean thanked all for attending and providing comments, and also stated that on behalf of the Madison County Board of Supervisors', every effort will be made to keep the tax rate as low as possible, however, the Board is charged with the responsibility to make sure there are sufficient funds available for the County to operate. Additionally, Chairman, Eddie Dean also stated he did not think any of the Madison County Board of Supervisors' members desire to see a forty-seven cents (.47) tax rate, but would rather approve a tax rate of forty-four cents (.44) instead; however, everything possible will be done (on behalf of the Board) to achieve that goal.

Chairman, Eddie Dean then closed the Public Hearing.

The Board then discussed when to schedule interviews for the Madison County Planning Commission and considered the late afternoon of Thursday, April 1, 2010.

The Board also discussed whether to schedule a continued meeting to discuss budgetary concerns.

After discussion, on motion of Pete J. Elliott, seconded by Jerry J. Butler, the Board voted to continue the meeting until Wednesday, March 31, 2010 beginning at 3:00 p.m. at the Thrift Road Complex, with the following vote recorded:

Eddie Dean	Aye
James L. Arrington	Aye
J. Dave Allen	Aye
Jerry J. Butler	Aye
Pete J. Elliott	Aye

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Date: March 30, 2010